
SENATE BILL 6193

State of Washington

57th Legislature 2001 First Special Session

By Senators Prentice, Deccio, Gardner, Hewitt, Shin, T. Sheldon and Rasmussen

Read first time 05/24/2001. Referred to Committee on Labor, Commerce & Financial Institutions.

1 AN ACT Relating to consistency in gaming provisions; amending RCW
2 9.46.010, 9.46.0205, 9.46.0273, 9.46.0311, 9.46.0325, 9.46.070,
3 9.46.110, and 9.46.295; and adding a new section to chapter 9.46 RCW.

4 BE IT ENACTED BY THE LEGISLATURE OF THE STATE OF WASHINGTON:

5 **Sec. 1.** RCW 9.46.010 and 1996 c 101 s 2 are each amended to read
6 as follows:

7 The public policy of the state of Washington on gambling is to keep
8 the criminal element out of gambling and to promote the social welfare
9 of the people by limiting the nature and scope of gambling activities
10 and by strict regulation and control.

11 It is hereby declared to be the policy of the legislature,
12 recognizing the close relationship between professional gambling and
13 organized crime, to restrain all persons from seeking profit from
14 professional gambling activities in this state; to restrain all persons
15 from patronizing such professional gambling activities; to safeguard
16 the public against the evils induced by common gamblers and common
17 gambling houses engaged in professional gambling; and at the same time,
18 both to preserve the freedom of the press and to avoid restricting
19 participation by individuals in activities and social pastimes, which

1 activities and social pastimes are more for amusement rather than for
2 profit, do not maliciously affect the public, and do not breach the
3 peace.

4 The legislature declares that within the regulatory framework
5 established in this chapter and under the Indian gaming regulatory act
6 of 1988, Titles 18 and 25 U.S.C., the gambling opportunities for
7 eligible nonprofit, fraternal, and for-profit operators shall be
8 uniform and consistent. The eligible fraternal, bona fide charitable
9 and nonprofit, and for-profit operators shall have an equal and uniform
10 opportunity to engage in all lawful aspects of gambling in order to be
11 able to compete in a fair and timely manner for the amusement and
12 entertainment of the public.

13 The legislature further declares that the raising of funds for the
14 promotion of bona fide charitable or nonprofit organizations is in the
15 public interest as is participation in such activities and social
16 pastimes as are hereinafter in this chapter authorized.

17 The legislature further declares that the conducting of bingo,
18 raffles, and amusement games and the operation of punch boards, pull-
19 tabs, electronic pull-tabs, card games, contests of chance, and other
20 social pastimes, when conducted pursuant to the provisions of this
21 chapter and any rules ((and regulations)) adopted pursuant thereto, are
22 hereby authorized, as are only such lotteries for which no valuable
23 consideration has been paid or agreed to be paid as hereinafter in this
24 chapter provided.

25 The legislature further declares that in authorizing systems of
26 linked electronic bingo terminals, games played on such systems shall
27 only include bingo games with electronic facsimiles of bingo displayed
28 on the screen and with all players on the system competing against each
29 other to match the numbers or symbols drawn in the game.

30 The legislature further declares that fishing derbies shall not
31 constitute any form of gambling and shall not be considered as a
32 lottery, a raffle, or an amusement game and shall not be subject to the
33 provisions of this chapter or any rules ((and regulations)) adopted
34 hereunder.

35 The legislature further declares that raffles authorized by the
36 fish and wildlife commission involving hunting big game animals or wild
37 turkeys shall not be subject to the provisions of this chapter or any
38 rules ((and regulations)) adopted hereunder, with the exception of this
39 section and RCW 9.46.400.

1 All factors incident to the activities authorized in this chapter
2 shall be closely controlled, and the provisions of this chapter shall
3 be liberally construed to achieve such end.

4 **Sec. 2.** RCW 9.46.0205 and 1987 c 4 s 3 are each amended to read as
5 follows:

6 (1) "Bingo," as used in this chapter, means:

7 (a) A game conducted only in the county within which the
8 organization is principally located in which prizes are awarded on the
9 basis of designated numbers or symbols ((~~on a card~~)) conforming to
10 numbers or symbols selected at random and in which no ((~~cards~~)) games
11 are sold except at the time and place of said game((~~, when said game is~~
12 conducted by a bona fide charitable or nonprofit organization which
13 does not conduct or allow its premises to be used for conducting bingo
14 on more than three occasions per week and which does not conduct bingo
15 in any location which is used for conducting bingo on more than three
16 occasions per week,)) or if an agricultural fair authorized under
17 chapters 15.76 and 36.37 RCW, which does not conduct bingo on more than
18 twelve consecutive days in any calendar year, and except in the case of
19 any agricultural fair as authorized under chapters 15.76 and 36.37 RCW,
20 no person other than a bona fide member or an employee of said
21 organization takes any part in the management or operation of said
22 game, and no person who takes any part in the management or operation
23 of said game takes any part in the management or operation of any game
24 conducted by any other organization or any other branch of the same
25 organization, unless approved by the commission, and no part of the
26 proceeds thereof inure to the benefit of any person other than the
27 organization conducting said game. For the purposes of this section,
28 the organization shall be deemed to be principally located in the
29 county within which it has its primary business office. If the
30 organization has no business office, the organization shall be deemed
31 to be located in the county of principal residence of its chief
32 executive officer: PROVIDED, That any organization which is conducting
33 any licensed and established bingo game in any locale as of January 1,
34 1981, shall be exempt from the requirement that such game be conducted
35 in the county in which the organization is principally located; and

36 (b) Games conducted through an approved system of linked electronic
37 bingo terminals located at one or more licensed bingo locations with
38 the numbers or symbols selected at a single licensed location as of

1 January 1, 2001, for all terminals on the system. The commission shall
2 adopt rules for the testing, regulation, approval, and licensing of
3 bingo games conducted through any system of linked electronic bingo
4 terminals. Licensees are limited to no more than fifty linked bingo
5 terminals per location. Notwithstanding (a) of this subsection, bona
6 fide charitable or nonprofit organizations may allow their premises to
7 be used seven days per week to conduct bingo games using linked
8 electronic bingo terminals.

9 (2) This section does not authorize any form of slot machine or any
10 other type of electronic gaming device or terminal wherein a player
11 competes directly against the device or terminal.

12 **Sec. 3.** RCW 9.46.0273 and 1987 c 4 s 19 are each amended to read
13 as follows:

14 (1) "Punch boards" and "pull-tabs," as used in this chapter, shall
15 be given their usual and ordinary meaning as of July 16, 1973, except
16 that such definition may be revised by the commission pursuant to rules
17 ((and regulations promulgated)) adopted pursuant to this chapter.

18 (2) "Electronic pull-tabs" as used in this chapter are consistent
19 with the electronic scratch ticket game operated as part of the tribal
20 lottery system and authorized and adopted by the state of Washington
21 under the Indian gaming regulatory act of 1988, 25 U.S.C. Secs. 2701-
22 2721 and 18 U.S.C. Secs. 1166-1168. Each electronic pull-tab game
23 consists of a finite number of electronic pull-tabs, a certain number
24 of which, if drawn, entitle a player to prize awards at various levels.
25 Electronic pull-tabs may only be accessed through a linked system of
26 player terminals that only allow players to compete against other
27 players. Player terminals do not allow for individual play against any
28 such terminal. Player terminals used in connection with approved
29 electronic pull-tab games do not constitute gambling devices pursuant
30 to RCW 9.46.0241. The number of player terminals for use by each
31 licensee shall be no more than two hundred terminals per license. An
32 electronic pull-tab game includes electronic pull-tabs that are played
33 by use of computer hardware and software to manufacture, store,
34 distribute, sell, and display electronic pull-tabs to players.

35 **Sec. 4.** RCW 9.46.0311 and 1987 c 4 s 26 are each amended to read
36 as follows:

1 The legislature hereby authorizes bona fide charitable or nonprofit
2 organizations to conduct bingo games, raffles, amusement games, ~~((and))~~
3 fund-raising events, and to ~~((utilize))~~ use punch boards ~~((and))~~, pull-
4 tabs, and electronic pull-tabs, and to allow their premises and
5 facilities to be used by only members, their guests, and members of a
6 chapter or unit organized under the same state, regional, or national
7 charter or constitution, to play social card games ~~((authorized by the~~
8 ~~commission))~~, when licensed, conducted, or operated pursuant to the
9 provisions of this chapter and rules ~~((and regulations))~~ adopted
10 pursuant thereto.

11 **Sec. 5.** RCW 9.46.0325 and 1987 c 4 s 29 are each amended to read
12 as follows:

13 The legislature hereby authorizes any person, association, or
14 organization operating an established business ~~((primarily))~~ engaged in
15 the selling of food or drink for consumption on the premises to conduct
16 raffles, amusement games, social card games, and contests of chance,
17 and to ~~((utilize))~~ use punch boards ~~((and))~~, pull-tabs ~~((as a~~
18 ~~commercial stimulant to such business))~~, and electronic pull-tabs by
19 for-profit operators when licensed and ~~((utilized))~~ used or operated
20 pursuant to the provisions of this chapter and rules ~~((and~~
21 ~~regulations))~~ adopted pursuant thereto. Contests of chance that are
22 consistent with those authorized and adopted by the state of Washington
23 under the Indian gaming regulatory act of 1988, 25 U.S.C. Secs. 2701-
24 2721 and 18 U.S.C. Secs. 1166-1168 may be operated in addition to those
25 card games operated under this chapter.

26 **Sec. 6.** RCW 9.46.070 and 1999 c 143 s 6 are each amended to read
27 as follows:

28 The commission shall have the following powers and duties:

29 (1) To authorize and issue licenses for a period not to exceed one
30 year to bona fide charitable or nonprofit organizations approved by the
31 commission meeting the requirements of this chapter and any rules ~~((and~~
32 ~~regulations))~~ adopted pursuant thereto permitting said organizations to
33 conduct bingo games, raffles, amusement games, ~~((and))~~ social card
34 games, and other contests of chance, and to ~~((utilize))~~ use punch
35 boards ~~((and))~~, pull-tabs, and electronic pull-tabs that are consistent
36 with the electronic scratch ticket game operated as part of the tribal
37 lottery system and authorized and adopted by the state of Washington

1 under the Indian gaming regulatory act of 1988, 25 U.S.C. Secs. 2701-
2 2721 and 18 U.S.C. Secs. 1166-1168, in accordance with the provisions
3 of this chapter and any rules (~~(and regulations)~~) adopted pursuant
4 thereto and to revoke or suspend said licenses for violation of any
5 provisions of this chapter or any rules (~~(and regulations)~~) adopted
6 pursuant thereto: PROVIDED, That the commission shall not deny a
7 license to an otherwise qualified applicant in an effort to limit the
8 number of licenses to be issued: PROVIDED FURTHER, That the commission
9 or director shall not issue, deny, suspend, or revoke any license
10 because of considerations of race, sex, creed, color, or national
11 origin: AND PROVIDED FURTHER, That the commission may authorize the
12 director to temporarily issue or suspend licenses subject to final
13 action by the commission;

14 (2) To authorize and issue licenses for a period not to exceed one
15 year to any person, association, or organization operating a business
16 (~~(primarily)~~) engaged in the selling of items of food or drink for
17 consumption on the premises, approved by the commission meeting the
18 requirements of this chapter and any rules (~~(and regulations)~~) adopted
19 pursuant thereto permitting said person, association, or organization
20 to (~~(utilize)~~) use punch boards (~~(and)~~), pull-tabs, and electronic
21 pull-tabs that are consistent with the electronic scratch ticket game
22 operated as part of the tribal lottery system and authorized and
23 adopted by the state of Washington under the Indian gaming regulatory
24 act of 1988, 25 U.S.C. Secs. 2701-2721 and 18 U.S.C. Secs. 1166-1168,
25 and to conduct social card games (~~(as a commercial stimulant)~~) and
26 other contests of chance that are consistent with those authorized and
27 adopted by the state of Washington under the Indian gaming regulatory
28 act of 1988, 25 U.S.C. Secs. 2701-2721 and 18 U.S.C. Secs. 1166-1168,
29 for profit in accordance with the provisions of this chapter and any
30 rules (~~(and regulations)~~) adopted pursuant thereto and to revoke or
31 suspend said licenses for violation of any provisions of this chapter
32 and any rules (~~(and regulations)~~) adopted pursuant thereto: PROVIDED,
33 That the commission shall not deny a license to an otherwise qualified
34 applicant in an effort to limit the number of licenses to be issued:
35 PROVIDED FURTHER, That the commission may authorize the director to
36 temporarily issue or suspend licenses subject to final action by the
37 commission;

38 (3) To authorize and issue licenses for a period not to exceed one
39 year to any person, association, or organization approved by the

1 commission meeting the requirements of this chapter and meeting the
2 requirements of any rules ((and regulations)) adopted by the commission
3 pursuant to this chapter as now or hereafter amended, permitting said
4 person, association, or organization to conduct or operate amusement
5 games in such manner and at such locations as the commission may
6 determine;

7 (4) To authorize, require, and issue, for a period not to exceed
8 one year, such licenses as the commission may by rule provide, to any
9 person, association, or organization to engage in the selling,
10 distributing, or otherwise supplying or in the manufacturing of devices
11 for use within this state for those activities authorized by this
12 chapter;

13 (5) To establish a schedule of annual license fees for carrying on
14 specific gambling activities upon the premises, and for such other
15 activities as may be licensed by the commission, which fees shall
16 provide to the commission not less than an amount of money adequate to
17 cover all costs incurred by the commission relative to licensing under
18 this chapter and the enforcement by the commission of the provisions of
19 this chapter and rules ((and regulations)) adopted pursuant thereto:
20 PROVIDED, That all licensing fees shall be submitted with an
21 application therefor and such portion of said fee as the commission may
22 determine, based upon its cost of processing and investigation, shall
23 be retained by the commission upon the withdrawal or denial of any such
24 license application as its reasonable expense for processing the
25 application and investigation into the granting thereof: PROVIDED
26 FURTHER, That if in a particular case the basic license fee established
27 by the commission for a particular class of license is less than the
28 commission's actual expenses to investigate that particular
29 application, the commission may at any time charge to that applicant
30 such additional fees as are necessary to pay the commission for those
31 costs. The commission may decline to proceed with its investigation
32 and no license shall be issued until the commission has been fully paid
33 therefor by the applicant: AND PROVIDED FURTHER, That the commission
34 may establish fees for the furnishing by it to licensees of
35 identification stamps to be affixed to such devices and equipment as
36 required by the commission and for such other special services or
37 programs required or offered by the commission, the amount of each of
38 these fees to be not less than is adequate to offset the cost to the
39 commission of the stamps and of administering their dispersal to

1 licensees or the cost of administering such other special services,
2 requirements or programs;

3 (6) To prescribe the manner and method of payment of taxes, fees
4 and penalties to be paid to or collected by the commission;

5 (7) To require that applications for all licenses contain such
6 information as may be required by the commission: PROVIDED, That all
7 persons (a) having a managerial or ownership interest in any gambling
8 activity, or the building in which any gambling activity occurs, or the
9 equipment to be used for any gambling activity, or (b) participating as
10 an employee in the operation of any gambling activity, shall be listed
11 on the application for the license and the applicant shall certify on
12 the application, under oath, that the persons named on the application
13 are all of the persons known to have an interest in any gambling
14 activity, building, or equipment by the person making such application:
15 PROVIDED FURTHER, That the commission may require fingerprinting and
16 background checks on any persons seeking licenses under this chapter or
17 of any person holding an interest in any gambling activity, building,
18 or equipment to be used therefor, or of any person participating as an
19 employee in the operation of any gambling activity;

20 (8) To require that any license holder maintain records as directed
21 by the commission and submit such reports as the commission may deem
22 necessary;

23 (9) To require that all income from bingo games, raffles, and
24 amusement games be recorded and reported as established by rule (~~or~~
25 ~~regulation~~) of the commission to the extent deemed necessary by
26 considering the scope and character of the gambling activity in such a
27 manner that will disclose gross income from any gambling activity,
28 amounts received from each player, the nature and value of prizes, and
29 the fact of distributions of such prizes to the winners thereof;

30 (10) To regulate and establish maximum limitations on income
31 derived from bingo. In establishing limitations pursuant to this
32 subsection the commission shall take into account (i) the nature,
33 character, and scope of the activities of the licensee; (ii) the source
34 of all other income of the licensee; and (iii) the percentage or extent
35 to which income derived from bingo is used for charitable, as
36 distinguished from nonprofit, purposes. However, the commission's
37 powers and duties granted by this subsection are discretionary and not
38 mandatory;

1 (11) To regulate and establish the type and scope of and manner of
2 conducting the gambling activities authorized and adopted by this
3 chapter and consistent with the Indian gaming regulatory act of 1988,
4 Titles 18 and 25 U.S.C., including, but not limited to, the extent of
5 wager, money, or other thing of value which may be wagered or
6 contributed or won by a player in any such activities;

7 (12) To regulate the collection of and the accounting for the fee
8 which may be imposed by an organization, corporation, or person
9 licensed to conduct a social card game on a person desiring to become
10 a player in a social card game in accordance with RCW 9.46.0282;

11 (13) To cooperate with and secure the cooperation of county, city,
12 and other local or state agencies in investigating any matter within
13 the scope of its duties and responsibilities;

14 (14) In accordance with RCW 9.46.080, to adopt such rules (~~and~~
15 ~~regulations~~) as are deemed necessary to carry out the purposes and
16 provisions of this chapter. All rules (~~and regulations~~) shall be
17 adopted pursuant to the administrative procedure act, chapter 34.05 RCW
18 and be consistent with the Indian gaming regulatory act of 1988, Titles
19 18 and 25 U.S.C.;

20 (15) To set forth for the perusal of counties, city-counties,
21 cities and towns, model ordinances by which any legislative authority
22 thereof may enter into the taxing of any gambling activity authorized
23 by this chapter;

24 (16) To establish and regulate a maximum limit on salaries or wages
25 which may be paid to persons employed in connection with activities
26 conducted by bona fide charitable or nonprofit organizations and
27 authorized by this chapter, where payment of such persons is allowed,
28 and to regulate and establish maximum limits for other expenses in
29 connection with such authorized activities, including but not limited
30 to rent or lease payments. However, the commissioner's powers and
31 duties granted by this subsection are discretionary and not mandatory.

32 In establishing these maximum limits the commission shall take into
33 account the amount of income received, or expected to be received, from
34 the class of activities to which the limits will apply and the amount
35 of money the games could generate for authorized charitable or
36 nonprofit purposes absent such expenses. The commission may also take
37 into account, in its discretion, other factors, including but not
38 limited to, the local prevailing wage scale and whether charitable
39 purposes are benefited by the activities;

1 (17) To authorize, require, and issue for a period not to exceed
2 one year such licenses or permits, for which the commission may by rule
3 provide, to any person to work for any operator of any gambling
4 activity authorized by this chapter in connection with that activity,
5 or any manufacturer, supplier, or distributor of devices for those
6 activities in connection with such business. The commission shall not
7 require that persons working solely as volunteers in an authorized
8 activity conducted by a bona fide charitable or bona fide nonprofit
9 organization, who receive no compensation of any kind for any purpose
10 from that organization, and who have no managerial or supervisory
11 responsibility in connection with that activity, be licensed to do such
12 work. The commission may require that licensees employing such
13 unlicensed volunteers submit to the commission periodically a list of
14 the names, addresses, and dates of birth of the volunteers. If any
15 volunteer is not approved by the commission, the commission may require
16 that the licensee not allow that person to work in connection with the
17 licensed activity;

18 (18) To publish and make available at the office of the commission
19 or elsewhere to anyone requesting it a list of the commission
20 licensees, including the name, address, type of license, and license
21 number of each licensee;

22 (19) To establish guidelines for determining what constitutes
23 active membership in bona fide nonprofit or charitable organizations
24 for the purposes of this chapter; and

25 (20) To perform all other matters and things necessary to carry out
26 the purposes and provisions of this chapter.

27 **Sec. 7.** RCW 9.46.110 and 1999 c 221 s 1 are each amended to read
28 as follows:

29 (1) The legislative authority of any county, city-county, city, or
30 town, by local law and ordinance, and in accordance with the provisions
31 of this chapter and rules adopted under this chapter, may provide for
32 the taxing of any gambling activity authorized by this chapter within
33 its jurisdiction, the tax receipts to go to the county, city-county,
34 city, or town so taxing the activity. Any such tax imposed by a county
35 alone shall not apply to any gambling activity within a city or town
36 located in the county but the tax rate established by a county, if any,
37 shall constitute the tax rate throughout the unincorporated areas of
38 such county.

1 (2) The operation of punch boards and pull-tabs are subject to the
2 following conditions:

3 (a) Chances may only be sold to adults;

4 (b) ~~((The price of a single chance may not exceed one dollar;~~

5 ~~(e)))~~ No punch board or pull-tab license may award as a prize upon
6 a winning number or symbol being drawn the opportunity of taking a
7 chance upon any other punch board or pull-tab;

8 ~~((d)))~~ (c) All prizes available to be won must be described on an
9 information flare or electronic display. All merchandise prizes must
10 be on display within the immediate area of the premises in which any
11 such punch board or pull-tab is located. Upon a winning number or
12 symbol being ~~((drawn))~~ selected, a merchandise prize must be
13 immediately removed from the display and awarded to the winner. All
14 references to cash or merchandise prizes, with a value over twenty
15 dollars, must be removed immediately from the information flare or
16 electronic display when won, or such omission shall be deemed a fraud
17 for the purposes of this chapter; and

18 ~~((e)))~~ (d) When any person wins money or merchandise from any
19 punch board or pull-tab over an amount determined by the commission,
20 every licensee shall keep a public record of the award for at least
21 ~~((ninety))~~ sixty days containing such information as the commission
22 shall deem necessary.

23 (3)(a) Taxation of bingo and raffles shall never be in an amount
24 greater than five percent of the ~~((gross receipts))~~ net win from a
25 bingo game or raffle ~~((less the amount awarded as cash or merchandise~~
26 ~~prizes))~~.

27 (b) Taxation of amusement games shall only be in an amount
28 sufficient to pay the actual costs of enforcement of the provisions of
29 this chapter by the county, city or town law enforcement agency and in
30 no event shall such taxation exceed two percent of the gross receipts
31 from the amusement game less the amount awarded as prizes.

32 (c) No tax shall be imposed under the authority of this chapter on
33 bingo or amusement games when such activities or any combination
34 thereof are conducted by any bona fide charitable or nonprofit
35 organization as defined in this chapter, which organization has no paid
36 operating or management personnel and has gross receipts from bingo or
37 amusement games, or a combination thereof, not exceeding five thousand
38 dollars per year, less the amount awarded as cash or merchandise
39 prizes.

1 (d) No tax shall be imposed on the first ten thousand dollars of
2 gross receipts less the amount awarded as cash or merchandise prizes
3 from raffles conducted by any bona fide charitable or nonprofit
4 organization as defined in this chapter.

5 (e) Taxation of punch boards, social card games, and pull-tabs
6 (~~((for bona fide charitable or nonprofit organizations is))~~) by a county,
7 city, or town shall be based on ((gross receipts)) net win from the
8 operation of the games (~~((less the amount awarded as cash or merchandise~~
9 ~~prizes))~~), and shall not exceed a rate of ten percent. (~~((At the option~~
10 ~~of the county, city-county, city, or town, the taxation of punch boards~~
11 ~~and pull-tabs for commercial stimulant operators may be based on gross~~
12 ~~receipts from the operation of the games, and may not exceed a rate of~~
13 ~~five percent, or may be based on gross receipts from the operation of~~
14 ~~the games less the amount awarded as cash or merchandise prizes, and~~
15 ~~may not exceed a rate of ten percent.))~~)

16 (f) (~~((Taxation of social card games may not exceed twenty percent~~
17 ~~of the gross revenue from such games))~~) As used in this subsection (3),
18 "net win" means the amount of revenue retained by the licensee from
19 such games after prizes and the cost of the games, for games that are
20 a paper punch board or pull-tab series, have been paid out but before
21 any expenses have been paid.

22 (4) Taxes imposed under this chapter become a lien upon personal
23 and real property of the licensee used in the gambling activity in the
24 same manner as provided for under RCW 84.60.010. The lien shall attach
25 on the date the tax becomes due and shall relate back and have priority
26 against real and personal property to the same extent as ad valorem
27 taxes.

28 NEW SECTION. Sec. 8. A new section is added to chapter 9.46 RCW
29 to read as follows:

30 (1) The department of revenue shall adopt rules for the collection
31 of taxes generated from electronic pull-tab sales. The tax shall be
32 set at ten percent of the net win from the sales of electronic pull-
33 tabs. All proceeds from taxes collected under this section shall be
34 deposited in an account in the custody of the state treasurer. This
35 custodial account is subject to allotment procedures under chapter
36 43.88 RCW, but an appropriation is not required for expenditures. Five
37 percent of the proceeds from taxes collected under this section shall
38 be allocated for problem gaming prevention, youth education, public

1 awareness, training, helpline services, and to the division of alcohol
2 and substance abuse in the department of social and health services,
3 for treatment.

4 (2) The legislative authority of any county, city-county, city, or
5 town, by local law and ordinance, and in accordance with this chapter
6 and rules adopted under it, may provide for the collection of taxes
7 generated from electronic pull-tab sales. The tax shall be set at up
8 to five percent of the net win from the sales of electronic pull-tabs.
9 The amount of tax authorized under this subsection shall be credited
10 against the amount of tax levied by the state under subsection (1) of
11 this section.

12 (3) As used in this section, "net win" means the amount of revenue
13 retained by the licensee after prizes have been paid out but before any
14 expenses have been paid.

15 **Sec. 9.** RCW 9.46.295 and 1974 ex.s. c 155 s 6 are each amended to
16 read as follows:

17 Any license to engage in any of the gambling activities authorized
18 by this chapter as now exists or as hereafter amended, and issued under
19 the authority thereof shall be legal authority to engage in the
20 gambling activities for which issued throughout the incorporated and
21 unincorporated area of any county, (~~except that a city located therein
22 with respect to that city, or a county with respect to all areas within
23 that county except for such cities, may absolutely prohibit, but may
24 not change the scope of license, any or all of the gambling activities
25 for which the license was issued~~) subject to the use, definition, and
26 zoning restrictions in RCW 9.46.285. The use, definition, and zoning
27 restriction may not limit or otherwise alter the scope of the license
28 as it then exists or is thereafter modified. Cities within their
29 corporate limits, towns, or a county with respect to all areas within
30 that county except for such cities and towns may absolutely prohibit
31 any or all of the gambling activities for which a license may be
32 issued. If lawfully existing gambling premises or gambling activity
33 are proposed to be prohibited by a change of city, town, or county
34 regulations, such city, town, or county shall either (1) authorize the
35 continued operation of such gambling activity as a nonconforming,
36 preexisting use subject only to the limitations imposed by the terms of
37 its license as it then exists or is thereafter modified; or (2) if
38 gambling uses are to be terminated, including closing or removing of

1 any preexisting gambling premises, there shall first be paid just
2 compensation to the owners and operators of the licensed gambling
3 premises. Any compensation under this section shall be determined by
4 an independent appraisal using recognized appraisal standards to
5 determine the fair market value of the gambling business and its
6 premises, assuming gambling activities could continue on the premises
7 in perpetuity.

--- END ---